



Montana E-File 2003 Test Packet

Montana Test 3

Based on Federal Test 5

Forms: Form 2, 2A page 2, 2A page 3, Sch. V

Return Status: Refund - Direct Deposit

Name and SSN: Grass, Test U 400-00-6802 (primary)
Grass, May B 400-00-6803 (spouse)

Address: 3218 10th Ave. South
Great Falls, MT 59401

Filing Status: (3) Married filing separate returns on the same form

Residency: Full year resident

Exemptions: Total (6) - 1 regular 1 blind and 4 dependents (primary)
Total (3) - 1 regular 2 dependents (spouse)

Deduction: Standard

Adj. Federal AGI: \$1,650 Unemployment reduced on Line 30, col. B
\$2,000 Medical Savings Account on line 31, col. A
\$2,500 Health Care Professional Payment, Line 34, Col. A

Documents: W2's use "MT" for the state

Other: \$10 Contribution for Non-Game Wildlife, line 51
\$10 Contribution for Child Abuse Prevention, line 52
\$10 Contribution for Agriculture in Schools, line 53
\$45 Credit Allowed Taxes Paid to Other States, line 101, Col. A
\$271 Developmental Disability Account Credit, line 110, Col B

Separate Filing Adj.: Unemployment assigned to column B
IRA split between taxpayers (\$800 primary, \$400 spouse)

Notes: Direct Deposit (savings)
Federal Extension box is checked

2003 Montana Individual Income Tax Return Form 2

03

or Fiscal year beginning _____, 2003 and ending _____, 2004.

Last Name Grass		First Name and Middle Initial Test U		Social Security No. 400-00-6802	
Spouse's Last Name if Different Grass		Spouse's First Name and Middle Initial May B		Spouse's Social Security No. 400-00-6803	
Mailing Address 3218 10th Ave.South		City Great Falls		State MT	Zip Code+4 59401
Filing Status Check One	<input type="checkbox"/> 1. Single	<input type="checkbox"/> 2. Married filing joint return	<input checked="" type="checkbox"/> 3. Married and both filing separate returns on this form	<input type="checkbox"/> 4. Married and both filing separate returns on separate forms	<input type="checkbox"/> 5. Married filing separate return and spouse is not filing
Residency Check One	<input checked="" type="checkbox"/> 1. Resident Full Year	<input type="checkbox"/> 2. Nonresident Full Year	<input type="checkbox"/> 3. Resident Part Year	Give date of change: _____ State moved to: _____ State moved from: _____	

Exemptions

Regular <input checked="" type="checkbox"/>	65 or Over <input type="checkbox"/>	Blind <input checked="" type="checkbox"/>
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1. Yourself Enter number checked **2**

2. Spouse Enter number checked **1**

3. Dependents

Dependent's Full Name	Dependent's Social Security Number	Relationship
Timothy	400-55-3005	son
Mary	400-55-4005	daughter
David	400-55-3005	son
Susan	400-55-6005	daughter

4. Handicapped Dependent ☐

5. Add lines 1, 2, 3 and 4 (if additional dependents, see instructions)..... **Total Exemptions** **6**

MT test #3
Fed. test #5

Enter amounts reported on federal return

6. Wages, salaries, tips, etc. Attach copies of W-2(s) from all states
7. Taxable interest income Attach Federal Schedule if over \$1,500
8. Dividend income Attach Federal Schedule if over \$1,500
9. Net business income (loss) Attach Federal Schedule C or C-EZ
10. Capital gain (or loss) Attach Federal Schedule D
11. Supplemental gains (or losses) Attach Federal Form 4797
12. Rents, royalties, partnerships, estates, trusts, etc.
Attach Federal Schedule E and Form 8582 and all K-1's
13. Total IRA distributions a.

 13b. Taxable amount
14. Total pensions and annuities a.

 14b. Taxable amount
15. Social security benefits a.

 15b. Taxable amount
16. Net farm income (Loss) Attach Federal Schedule F
17. Other income: State refund alimony
unemployment **1,650** other (specify)
18. Total of lines 6 thru 17 **Total** ⇒
19. Adjustments to income. Educator expenses IRA deduction **1,200**
Student loan interest Tuition and fees 1/2 SE Tax
Moving Expenses(Attach Form 3903) SE Health SE SEP, SIMPLE
Penalty on early withdrawal of savings Alimony paid Other
20. Federal adjusted gross income (subtract line 19 from line 18) ⇒

Note: Line 20 must match your federal adjusted gross income

Round to nearest dollar if no entry leave blank		
6.	24,500	17,500
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		1,650
18.	24,500	19,150
19.		
20.	23,700	18,750

INCOME REPORTED FROM FEDERAL RETURN

ADDITIONS

21. Interest and dividends on state, county, or municipal bonds (Non-Montana)
22. Federal income tax refunds/overpayment (see page 3, line 22 on instructions)
23. Other additions, (see page 3, line 23 of instructions)
Specify
24. Total additions to income (add lines 21 thru 23) **Total** ⇒
25. Add lines 20 and 24, enter result ⇒

21.			21.
22.			22.
23.			23.
24.	0	0	24.
25.	23,700	18,750	25.

REDUCTIONS

26. Farm Risk Management Account Attach Form FRM
27. Interest exclusion for elderly
28. Interest exclusion for savings bonds, etc. Specify
29. Exempt pension & annuity income, (not soc. sec./disability) Attach Worksheet IV, Page 13
30. Unemployment
31. Medical Care Savings Account Attach Form MSA
32. Family Education Savings Account (Attach name and social security number(s) of beneficiary)
33. First Time Home Buyers Account Attach Form FTB
34. **NEW** Health care professional loan payment exclusion
35. Other reductions (see page 5, line 35 of instructions).
Specify
36. Total reductions to income (add lines 26 thru 35)..... **Total** ⇒
37. Subtract line 36 from line 25. Enter here and on line 38, page 2.....

26.			26.
27.			27.
28.			28.
29.		1,650	29.
30.			30.
31.	2,000		31.
32.			32.
33.			33.
34.	2,500		34.
35.			35.
36.	4,500	1,650	36.
37.	19,200	17,100	37.

ATTACH WITHHOLDING STATEMENTS HERE

Form 2 Page 2 - 2003 Social Security Number 400 / 00 / 6802

Column A (for single joint, separate, or head of household) Column B (for spouse only when filing separate, and box 3 is checked)

38. Montana adjusted gross income (From line 37) 38. 19,200 17,100 38.

Deductions Check only one

39. (A) Standard deduction: [X] (A) } 39. 3,330 3,330 39.

(B) Itemized deductions: [] (B) }

40. Subtract line 39 from 38 and enter balance. 40. 15,870 13,770 40.

Exemptions (All filers are entitled to at least one exemption)

41. Multiply \$1,780 times the number of exemptions on line 5 41. 10,680 5,340 41.

42. Taxable income. Subtract line 41 from line 40 42. 5,190 8,430 42.

STOP Nonresidents and Part-Year Residents complete and attach Schedules III and IV Form 2A, before proceeding

43. Tax from table below. Non/part year residents enter the amount from line 131, Form 2A, Schedule IV. If line 42 is less than zero, enter zero here. 43. 142 271 43.

44. Tax on lump sum distributions (see instructions for this line). Attach Federal Form 4972 44. 142 271 44.

45. Subtotal—Add lines 43 and 44. Subtotal 45. 142 271 45.

46. Credits from Form 2A, line 113, Schedule II 46. 45 271 46.

47. Balance—Subtract line 46 from 45 and enter difference (but not less than zero). 47. 97 0 47.

48. Recapture investment credit Attach Form RIC. 48. 48. 48.

49. Recapture tax and withdrawal penalties (specify) 49. 49. 49.

50. For each of the programs below enter any amount you and your spouse want to contribute. Enter totals in boxes (see instructions for details).

50. 30 50.

54. Total Tax—Add lines 47, 48, 49 and 50. Total 54. 127 54.

55. Combine amounts shown on line 54 columns A and B. 55. 127 55.

56. Montana tax withheld. Attach withholding statements 56. 1,715 1,110 56.

57. Payments of 2003 estimated tax and amounts credited from previous year 57. 57. 57.

58. Payment made with extension 58. 58. 58.

59. Elderly Homeowner/ Renter Credit Attach Form 2EC 59. 59. 59.

60. Total of lines 56 thru 59. Total 60. 1,715 1,110 60.

61. Combine amounts shown on line 60 columns A and B 61. 2,825 61.

62. If line 61 is larger than line 55 enter the difference. This is your overpayment. 62. 2,698 62.

63. Amount on line 62 to be applied to 2004 estimate 63. 63. 63.

64. Enter the amount from line 62 you want refunded to you (refunds more than \$1.00 will be issued) Refund. 64. 2,698 64.

Refund Returns: Mail to Dept. of Revenue, PO Box 6577, Helena, MT 59604-6577

If you wish to use direct deposit enter your RTN# and ACCT# below. See instructions on page 6.

RTN# 253174576 ACCT# 06542153

65. If line 55 is larger than line 61 enter tax due (If you owe see instructions for this line) Tax Due 65. 65. 65.

Send your check or money order with payment coupon to: Dept. of Revenue, PO Box 6308, Helena, MT 59604-6308.

If you choose to pay your tax due by credit card visit our website at www.discoveringmontana.com/revenue and enter your confirmation number here. See instructions on page 6.

Check this box if at least 2/3 of your gross income is from farming. (attach breakdown of computations) []

Check here if estimated payments were made using the annualization method. (Attach Montana Form EST-P) []

Check here if you do not need state income tax forms and instructions mailed to you next year. Tax forms are also available on the internet. []

Underpayment penalty See Worksheet VII, Schedule W... 66. 66. 66.

Late filing penalty—See page 2. 67. 67. 67.

Late payment penalty—See page 2. 68. 68. 68.

Interest 1% (.01) per month. 69. 69. 69.

Total of lines 65 through 69. 70. 70. 70.

Extension - Check this box and attach copies of federal extension(s) to receive a valid Montana extension. See Page 2 of instructions for details. [X]

Name, address and telephone number of preparer

May the DOR discuss this return with the preparer shown above? yes [] no []

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.

X 888-555-1111 X

Your signature is required Date Daytime telephone number Spouse signature Date

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

If you electronically file, keep this form for your records (do not send to the Department of Revenue).

Tax Table

If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax
\$ 0	\$ 2,200	X ... 2 %	\$ 0
\$ 2,200	\$ 4,400	X ... 3 %	\$ 22
\$ 4,400	\$ 8,900	X ... 4 %	\$ 66
\$ 8,900	\$ 13,300	X ... 5 %	\$ 155
\$ 13,300	\$ 17,800	X ... 6 %	\$ 288


If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax
\$ 17,800	\$ 22,200	X ... 7 %	\$ 466
\$ 22,200	\$ 31,100	X ... 8 %	\$ 688
\$ 31,100	\$ 44,500	X ... 9 %	\$ 999
\$ 44,500	\$ 77,800	X ... 10 %	\$ 1,444
\$ 77,800		X ... 11 %	\$ 2,222

Example = taxable income \$2,400 x 3% (.03) = \$72 subtract \$22 = \$50 tax

Schedule II - Credits Against Tax

(See instructions on pages 8 and 9)

	Column A (For single, joint, separate or head of household)	Column B (For spouse only when filing separate, and box 3 is checked)	
97. Rural physician's credit			97.
98. College contribution credit			98.
99. Qualified endowment credit			99.
100. Elderly care credit			100.
NEW 101. Credit allowed residents/part-year residents for income tax liability paid to other states or countries - Attach Schedule V or Schedule VII	45		101.
102. Contractors gross receipts tax credit			102.
103. Alternative energy systems credit			103.
104. Energy conservation installations credit			104.
105. Alternative energy production credit			105.
106. Recycle credit			106.
107. Dependent care assistance credit			107.
108. Disability insurance for uninsured Montanans			108.
109. Historical property preservation credit			109.
NEW 110. Developmental disability account contribution credit		271	110.
NEW 111. Empowerment zone credit			111.
 112. Other credits (see instructions)			112.
113. Total Credits - Enter here and on Form, line 46	45	271	113.

Schedule III - Nonresident/Part Year Resident Allocation of Income Reportable to Montana

(See instructions on pages 9 and 10)

You Must Attach a Copy of Your Federal Return

	Column A (For single, joint, separate or head of household)	Column B (For spouse only when filing separate, and box 3 is checked)	
114. Wages, salaries, tips, etc			114.
115. Interest income			115.
116. Dividend income			116.
117. Net business income			117.
118. Capital gain (or loss)			118.
119. Supplemental gain (or loss)			119.
120. Rents, royalties, partnerships, estates and trusts			120.
121. Taxable pensions, annuities, IRA's			121.
122. Taxable portion of social security			122.
123. Net farm income (or loss)			123.
124. Other income/loss (federal refund, etc.)			124.
125. Montana total income (add lines 114 through 124)			125.

Schedule IV - Nonresident / Part Year Resident Prorated Tax Computation

	Column A (For single, joint, separate or head of household)	Column B (For spouse only when filing separate, and box 3 is checked)	
126. Montana total income from line 125 above			126.
127. Enter federal income from line 18, plus amount of line 24, Form 2			127.
128. Divide amount on line 126 by amount on line 127 (Carry to 4 decimal places—Do not enter more than 1.0000)			128.
129. Taxable income from line 42, Form 2			129.
130. Calculate tax on amount on line 129 using tax table on Form 2, page 2 ...			130.
131. Part year resident and nonresident tax—multiply amount on line 130 by amount on line 128 and enter result here and on line 43, Form 2. This is the amount of your prorated tax			131.

**Attach this form to your tax return. If you electronically file, keep this form
for your records (do not send to the Department of Revenue).**

Individual Income Tax—2003

Credit for Taxes Paid to Another State or Country

MONTANA
2A-Page 3
Rev. 10-03

Last Name and Initial	Social Security Number
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NEW

Instructions. You may claim a credit for income taxes paid to another state or country by yourself, an S. corporation or a partnership. If you claim this credit for taxes paid to another state or country by an S. corporation or a partnership, you must add back to income on Form 2, line 23 your share of the entity's deduction for income tax paid, whether separately or non-separately stated on your Federal K-1.

Please note:

- This credit is limited to income taxes paid on income that is also taxed by Montana.
- Income taxes include excise taxes or franchise taxes that are imposed on and measured by the net income for an S. corporation or partnership.
- This credit is nonrefundable and can not reduce your Montana tax liability below zero.
- Unused credits can not be carried over.
- Separate computations must be made for each state or country.
- A part-year resident must allocate income using Form 2A, page 2, Schedule III when calculating this credit.

Schedule V - Full year Resident-Credit Allowed for Income Taxes Paid to Another State or Country.

Attach Copy of Out-of-State Return

	Column A (For joint, separate or single)	Column B (For spouse when filing separate, and box 3 is checked)
1. Income from other state or country included in Montana adjusted gross income. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership.	6,000	
2. Total income from other state or country used in calculating the income tax paid to the other state or country. Include income exempt from Montana income tax.	24,500	
3. Total Montana adjusted gross income from Form 2. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership.	19,200	
4. Total income tax paid to other state or country	490	
5. Montana tax liability from Form 2, line 43	144	
6. Line 1 divided by line 2, but not greater than 100%2448 %	%
7. Line 4 multiplied by line 6	119	
8. Line 1 divided by line 3, but not greater than 100%3125 %	%
9. Line 5 multiplied by line 8	45	
10. The allowable credit is the lower of lines 4, 7, or 9. Enter here and on Form 2A, Schedule II	45	

Schedule VI — Part/year Residents-Credit Allowed For Income Taxes Paid To Another State or Country

Attach Copy of Out-of-State Return

	Column A (For joint, separate or single)	Column B (For spouse when filing separate, and box 3 is checked)
1. Income from other state or country included in Montana adjusted gross income and reported on Form 2A, Schedule III, line 125. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership		
2. Total income from other state or country used in calculating the income tax paid to the other state or country. Include income exempt from Montana income tax		
3. Total Montana income from Form 2A, Schedule III, line 125. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership		
4. Total income tax paid to other state or country		
5. Montana tax liability from Form 2, line 43		
6. Line 1 divided by line 2, but not greater than 100%	%	%
7. Line 4 multiplied by line 6		
8. Line 1 divided by line 3, but not greater than 100%	%	%
9. Line 5 multiplied by line 8		
10. The allowable credit is the lower of lines 4, 7, or 9. Enter here and on Form 2A, Schedule II		

Attach this form to your tax return. If you electronically file, keep this form for your records (do not send to the Department of Revenue).